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THE  
**Hawaiian Problem**

WITH

An Appendix on Cuba and the  
Sugar Trust.

BY

CARL STROEVER,  
of the Chicago Bar.

CHICAGO: 1898  
GOWDINS & BENTON  
PRINTERS

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move heaven and earth for annexation. A stake of 4 1-2, and, with increased production and a higher duty, perhaps 8, million dollars a year explains much of the newspaper enthusiasm and much of the political fervor for absolute annexation of Hawaii to the United States as an integral part thereof. A mere protectorate, you know, would not secure free trade in sugar.

For Hawaii all sorts of troubles are threatening by reason of the miscellaneous character of the population with which regard for profits has peopled the Islands. It undoubtedly would be to the advantage of the big plantation corporations in particular (40 of them owned even in 1893 property worth 28 million dollars) to have these people kept in order by the United States at the expense of the general government, the revenues of which are not raised from Hawaii alone.

A further advantage would accrue to the Hawaiians, and again to the land-holding corporations in particular, if the United States would assume the Hawaiian debt. True that the United States are to have in consideration thereof the ownership of all the public property in Hawaii. But according to the treaty all revenue and proceeds of that property are to be applied for the benefit of the Islanders.

Hawaii, it may be said, would become responsible for the debt of the United States; therefore the United States ought to assume the debt of Hawaii. If annexation would increase the revenue of the United States correspondingly, this argument might be sound. But, as pointed out above, the United States would lose by annexation from 4 to 8 million dollars annually in import-duties, which Hawaiian sugar ought to pay after termination of the present treaty; not to speak of other expenses consequent on annexation which the prospective revenues from Hawaii hardly would cover. Hawaii ought to pay her own debts, even if annexed.

Our free trade friends likely will say that we can afford to forego some revenue from sugar for the benefit of getting it cheap. This argument is based on private gain, often the enemy of public weal.

Among the principal imports into Hawaii (80 per cent

thereof came from the United States) were in 1896 about 20,000 tons of grain, meat and provisions, 14,000 tons of fertilizers, 65,000 bales of hay, 23 million feet of lumber. It is poor economy for the United States to export materials like these, rich in valuable soil ingredients, and to import for them sugar, a material which contains little but what is taken by the sugar plants from the air, and which we can produce in almost unlimited quantities by little more labor than we now employ in producing the things for which we get the Hawaiian sugar.

All that makes this sugar-importation profitable is the saving in labor-cost effected thereby. This, for our nation as a whole, with hundreds of thousands of workers more or less idle, is of very little benefit. On the other hand every ton of sugar at present imported from abroad draws away more or less of the very substance of our national stock of wealth, with no return to speak of, constituting thereby the whole sugar import trade a serious drain. It is true that, largely in consequence of our wasteful methods of disposing of garbage and refuse, our big cities in particular constitute similar drains. It is true that much of our other foreign trade acts as a drain on our national wealth in a similar way as the sugar-trade. These facts are good reason for stopping these drains too, not for continuing the sugar-drain. Private desire for temporary profit is too often at cross-purposes with public welfare to be entrusted with the sole regulation of these affairs. Export-duties, prohibited by the Constitution, in many cases would be the best remedy.

Consider the following table, showing Hawaiian imports and exports, and the percentage of trade with the United States, according to Mr. L. A. Thurston:

	Imports	Exports	Per cent of
	into Hawaii.	from Hawaii.	trade with
			U. S.
1892.....	\$4,684,207	\$ 8,060,087	93.12
1893.....	5,346,808	10,818,758	93.18
1894.....	5,713,181	9,140,794	89.90
1895.....	5,714,017	8,474,138	90.00
1896.....	7,164,561	15,515,230	92.26



Consider the further fact that about 99 per cent of the exports, practically all sugar, were to the United States, while only about 80 per cent of the imports came from there, during these years. Hawaiian sugar cost the people of the United States not only the valuable products they sent to Hawaii, but every year probably something like four to seven million dollars in cold cash besides.

Why continue this losing business? Why continue to impoverish our soil, feeding, sheltering and paying on distant islands half-civilized competitors of our idle workingmen? Why not rather develop our domestic beet-sugar industry? An industry which would keep fertilizers, grain, hay, meat, timber, provisions and money at home, which would enormously increase the traffic of our railroads, powerfully aid numerous subsidiary industries, promote scientific farming, provide hundreds of thousands with well-earned comforts, and lead, as it has done everywhere else where it has obtained a foothold, to an enormous increase in other crops, and in general production and wealth? The benefits to be derived from the establishment of the beet-sugar industry can hardly be overestimated. The best testimony for that are the large export bounties provided by Germany, France and other European countries. The mere political influence of the beet-sugar interests never could have established or maintained these bounties. The governments paying them know that there are particular merits in the beet-sugar industry not pertaining to other industries. They know, also, that sugar enriches the nation which exports it, at the cost of the nation which imports it. They are distinctly not in the business of "providing cheap sugar for the Americans," as some of the victims, stronger in self-esteem than in economic wisdom, have thought. Foreign sugar is dear at almost any price.

To manufacture only one-half of the sugar consumed in the United States from domestic beets would require the initial investment of about 100 million dollars in factories, tools, machinery, draught animals, etc. This would make itself felt in almost all lines of industry on account of the great diversity of the materials required, and there would be no abatement of the stimulus afterwards because the



beet-sugar industry, more than most other industries, needs constant renewals and improvements and because about 60 million dollars would annually be spent by the factories thus established. Agriculturally this industry is even more important than industrially, because it pays for a deep and thorough cultivation of the soil, practically enforces scientific and careful management, and tends, with such management, to enrich the land. It is a common thing that a sugar-beet farmer who in rotation plants, say, one-fifth of his arable land in sugar beets, soon raises on the balance of his land an amount of produce far in excess of what he raised before on the whole land: his valuable sugar-beet crop giving him in itself a handsome profit besides: all this without any additional work or expense except what the sugar-beet crop pays for. This I say from personal experience derived from the management of large German farms.

The beet-sugar industry requires the co-operation of high intelligence in the management, of large capital, and of the self-denying application to strict business of large numbers of independent farmers to give best results. It takes time and initial sacrifices to develop this co-operation. For this reason an infant beet-sugar industry requires, more than most other industries, protection and a measure of artificial support for a number of years: especially where, as in the United States, it has to battle against a monopoly. But though protection against foreign competition may entail at first some sacrifices, through a temporarily higher price of sugar, yet we may be sure that such an initial sacrifice will soon bring richest reward. The price of sugar will come down very soon to its former level again, through competition, engendered by the exceptionally favorable natural conditions for beet-sugar growing in the United States, and through the fall, below the present level, of sugar prices abroad, in consequence of the larger amount of foreign sugars available for the foreign markets by reason of their partial or total expulsion from the markets of the United States.

These results will not be attained, however, as long as we dilly-dally with Hawaiian, and perhaps even Cuban, annexation, and as long as we fail, as a nation, to set our face

firmly, not only against free trade in sugar, but also against any reciprocity treaty which provides for a lowering of the present duty on sugar.

The claim is made by Secretary Wilson that Hawaiian competition is not detrimental to the beet-sugar industry because the imports from Hawaii have amounted to only about 10 per cent, on an average, of the total sugar imports into the United States during the last seven years. This claim is unfounded. In 1896 Hawaii almost doubled her output as compared with that of 1895, and President Dole himself is reported as having said that it might be further increased. Hawaii probably is able to produce 20 per cent of all the sugar needed by the United States. But no matter whether Hawaii is able to increase her production of sugar or not, every ton produced there, and imported free, acts as a check on the American beet-sugar industry. Besides, on general principles, elucidated above, we ought to produce all the sugar we need, in the United States. To do so would, in addition, most powerfully aid in the removal of the present depression.

A good deal is made, by some, of the possibilities of Hawaii as a coffee-producing country. Just why these possibilities, if they really exist, should make annexation of Hawaii desirable, none of these statesmen has pointed out. Is it in order that the United States may be able to boast of their manifold production? Such an idea would be silly. Is it that the United States may have greater revenues? These could with more certainty be secured without annexation by imposing a tariff on coffee.

Perhaps these coffee-theorists mean to appeal to the notion that the United States ought to annex Hawaii because the country is rich and beautiful. That argument would be all right from the standpoint of Roman or medieval statesmanship. In those days countries were annexed with a view to the riches and pleasures which could be squeezed out of them by the dominant power. The United States would degrade themselves, and betray their most sacred principles, by acting upon those lines. In fact, nothing of the kind is contemplated. The argument of the beauty and wealth of Hawaii without doubt

strongly appeals, in the case of many, to their mere instinctive desire for possession. Such ought to consult their reason. Hawaii is pretty well taken up by people who would own their possessions after annexation as well as now. What the United States would own there (aside of the fortifications, etc., which have nothing to do with the beauty and wealth of Hawaii) they would own under the treaty for the benefit of the Hawaiians. The economic effect of the riches of an annexed Hawaii on the people of the United States would be far from favorable. Its beauties are accessible now, and would be under a protectorate.

Great as the economic drawbacks of annexation would be, they would be surpassed by its ethnical and political disadvantages.

Given fair natural conditions for development, the fate and happiness of a nation, as well as of a family, depend chiefly on the inborn qualities of its men and women. Every addition to the human stock of a nation which is below the average in valuable qualities, or which consists of elements the union of which with such stock produces undesirable results, seriously tends to deteriorate the nation and to reduce its chances for happiness and for usefulness to the human race. Particularly should it be shunned by a nation which is strong enough in numbers, and in possession of sufficient natural resources, to be able to provide for all its needs and to hold its ground against all foreign enemies.

The Hawaiian Islands are dominated, and three-fourths of them (in value) are owned by Americans; the English language is the ruling language, and the public laws and institutions are mainly formed after the American pattern. So at least Mr. L. A. Thurston asserts. Nevertheless the population is not American, and would be a most undesirable addition to any body politic whose principal elements are Teutonic. Only 3,000 out of a total of nearly 109,000 are Americans; the balance was composed in 1896 about as follows:

31,000 Natives,	2,200 British,
24,400 Japanese,	2,000 Germans, French and
21,600 Chinese,	Norwegians,
15,100 Portuguese,	1,000 All others.
8,400 Half-breeds.	-----
-----	5,200
100,500	3,000 Americans.
	-----
	8,200

All those in the left-hand column belong to races the intermingling of which with Teutonic elements never has produced, and likely never will produce, desirable results. By tradition, by education and by inborn race qualities and tendencies they are wedded to, and destined for, a civilization widely different from the Teutonic, and especially the best American, civilization, in matters political and social as well as in matters religious and moral. Only the 8,200 in the right-hand column would constitute a desirable accretion to the constituent elements of the population of the United States.

It is all very well to talk about the equal rights of men, their equality before the Creator, and the American principle not to draw distinctions on the ground of race, color or religion; but it would be downright foolishness to disregard the truth that a certain degree of affinity in the population of every commonwealth is required to make it strong and durable, and able to exist and act without spending all its life-forces in overcoming internal friction.

A few individuals from discordant races may be taken in by a nation without danger. Thickly settled and race-proud England can afford to give the freedom of her shores to all the world, Chinese and negroes included. They do not come in numbers large enough to produce effects. The position of the United States is entirely different. Elements which cannot be expected to become active, spontaneous supporters of their dominant, Teutonic civilization, ought to be kept out. There are too many of them already. Their inborn race-traits do not favor development on the lines of Teutonic civilization. Their tendencies, capacities, ideals and emotions separate them farther from the Teu-



tonic people of the United States than ocean and national divisions separate the latter from their brethren in Europe. Individual examples of a congenial, high development in these strange elements must not be made too much of. They show what some individuals of a race are capable of, not what that race can do, or tends to. Their progeny usually shows again the traits of the race. Education may elevate men and races, but it cannot overcome race character. Training cannot make a racer out of a heavy draft-horse, or convert a bulldog into a pointer.

The mixing of races by intermarriage merely would aggravate matters. The enthusiast who, in his desire to see all mankind "one fold," would have us overstep the lines of segregation drawn by God himself and by nature, simply invites disaster. Here and there we find individuals with the blood of several widely different races in their veins who have proceeded to greatness, but where is the nation in which discordant and widely different races mingled and which yet became great? It is in vain to point to Greece, Rome, France, England, Prussia and the United States as examples of such nations. They were, and are, great only in so far as made up of elements not separated by a wide gulf. They have been advanced by mixture of different nationalities, of parts of the same race, or at best by mixture of closely related races without very deep-reaching characteristics to divide them; not by mixture of widely differing races. Study Rome when tottering to her fall; study the history of southern Europe, of Sicily and Turkey in particular; observe the effects of the mingling of discordant elements in northern Africa, in Central and South America, and in our own magnificent South, and be convinced that mankind was made to be "one fold," united in mutual regard and good will, but destined to reach its highest development while separated, locally and politically, into many divisions, according to the lines engraved by nature into their bodily constitution and mental makeup. Local and political intermingling of widely different and discordant populations ever has led, and ever will lead, first to despotic government, and later on to intermarriage, and to degeneration of, usually, both elements. Noth-

ing is of more absolutely vital importance for the whole future of the United States than to avoid further steps in this direction.

It is of little moment in this matter that Americans now dominate Hawaii, and have succeeded in establishing a fairly good government. The United States, as a republic, are particularly dependent on the average quality of their people. As long as Hawaii has a population like the present one, her incorporation into the United States as an integral part thereof ought not to be even thought of.

The establishment of Hawaii as a territory would burden our already overburdened Congress with a kind of legislation for which it is not well fitted, and would make the Hawaiian people unduly dependent in their domestic affairs on a distant power which cannot have that understanding of local conditions which is necessary for proper law making.

Again: Shall the local affairs of Hawaii as a territory be run by appointees from Washington? Why should we undertake that task? Shall they be run by a local government under the supervision of Congress? Why burden Congress with a task for which it is not fit? Shall the local government be an oligarchy? How could that be sanctioned in a territory, an integral part of the United States? Shall we decree universal suffrage? How could we, with the population Hawaii has now? The less we have to do with the whole matter, the better.

The very name of "territory" would produce a continual clamor for equal rights with the present and former territories of the United States, and for admission to Statehood.

Incorporation of Hawaii as an integral part of the United States, and as a territory, aims chiefly at free trade in sugar. This the treaty makes doubly sure by its provision for the extension of the United States custom laws and regulations to the Islands. Hawaii once incorporated under the proposed treaty her status as to free trade, and in many other respects, would be unalterably fixed in a way contrary to the best interests of the United States. This is the objection against the plans of those who say, "Let us annex Hawaii first, and attend to these other matters afterwards."

What, then, ought to be done?

The following are all the interests which the United States have in Hawaii:

1. The Islands are of immense importance as a strategical point, and as the only point of supply for vessels within a radius of 2,000 miles. They are situated on the important routes between North America and Australia, and between the American isthmus and Asia. They can easily be converted into a naval stronghold, and would be a convenient basis for naval operations against the Pacific trade of North America. The United States, therefore, ought to have military control of their principal harbors and prevent other nations from acquiring any power in or over the Islands, especially in view of the development of Australia, and of the prospective completion of the Nicaragua and Panama canals.

The opening up of western Asia also will vastly increase the importance of Hawaii in the near future, but points to no interest of the United States which could not be subserved by military control of the Islands just as well as by annexation.

2. The Hawaiian race is dying out. The United States are very much interested in having a country of such strategical importance and such resources as the Hawaiian Islands controlled and inhabited by men and women who not only imitate the people of the United States, but who are also as nearly as possible of the same stock, and the same innate ideals and impulses, as the great majority of the American people. By such a population only can the Islands be developed into such a support of the United States as they are capable of being.

3. The Hawaiian trade is very largely in the hands of Americans and is in certain respects valuable. American vessels are largely employed in the trade with the Islands. American citizens have large and valuable property rights there. All these interests (though they ought not to be pampered at the cost of giving to Hawaii economic advantages which belong only to integral parts of the United States, or at the cost of deteriorating the stock of the population of the United States) ought to be properly protected



and fostered as far as a sound national policy will permit.

*Annexation is objectionable and not necessary for the protection of these interests. That we must annex under the proposed treaty or lose control of Hawaii for ever is a mistake. The speedy establishment of a relation akin to a protectorate, less promotive than annexation of private schemes at public expense, will serve our true interests incomparably better.*

As an objection against a protectorate it is urged that it would impose "responsibility without control." Well may we ask: What "responsibility" which the United States ought to shun? and why "without control?"

Secretary Sherman in his report says: "Any attempt to counteract this (i. e., the disadvantages of a protectorate) by \* \* \* a measure of suzerain control would be a retrograde movement toward a feudal or colonial establishment alike inexpedient and incompatible with our national policy." The very fact that nothing is brought forward against a modified protectorate over the Islands, but phrases like these, points to it as something deserving consideration.

Mr. Sherman presumably believes in the Monroe doctrine. What else does that doctrine amount to but to the application of the idea that the United States must exercise a certain amount of suzerain control over all of America? Why then be so particular in this respect about the Hawaiian Islands? The fact is that the United States for a long time have claimed, and still claim, "a measure of suzerain control" over the Islands, by giving warning to the rest of the powers to keep their hands off, even though this be contrary to the desires of the Hawaiians themselves.

It is altogether likely that the United States, in order to be able to uphold the Monroe doctrine, to protect weak members of the American system, and to protect their own trade, will have to insist on exercising some sort of actual control not only over Hawaii, but also over other parts of the territory now composing the American system outside of the United States. This control may later on be ceded to a general American federation, or some combination of that kind, but in the meantime the United States will have to do the best they can without that. Any territory thus

to be controlled must, according to Mr. Sherman, be made an integral part of the United States. Why?

A resolute, flexible policy, capable of adapting itself to all conditions or of breaking through them with youthful vigor, is what behooves the United States, and not a policy which deems it necessary to follow the beaten paths of our "national policy" where they lead to undesirable consequences. In reality there is no such "national policy" as Mr. Sherman alludes to. It certainly would be no more against our established "national policy" to exercise some measure of suzerain control upon occasion than to annex islands separated by 2,000 miles of ocean from our shores.

The following arrangement, or one similar to it, would avoid the disadvantages of annexation, and yet suitably protect the interests of the United States:

1. Let the United States, if possible and expedient, by treaty with the present government of the Islands, if not, then without a treaty, by reason of the established interests of their citizens in the Islands, and by reason of the political necessity for the United States of controlling the Islands, take sovereign control of them, and establish them as a "Colony of the United States," with the distinct understanding that a "Colony" is not a part of the United States in any sense.

2. Let the United States take charge of the ports, the light-houses, the collection of the customs and the supervision of immigration, and regulate these matters, and in particular the immigration into the country, by special laws, if necessary.

3. Let the principal harbors be suitably fortified and at least one of them be converted into a United States reservation and strong maritime station; all fortifications to be in charge of the United States navy, to have under their guns all the larger stores of coal on the Islands, to be well provided with munitions of war, repairing facilities and docks, and to be connected by government cable with each other and with California.

4. Let at least once a year a United States commissioner, clothed with summary powers, hold court on the principal Islands, to hear and decide complaints against United

States officials and such others matters as may be deemed fit; ample safeguards to be provided for free access to this court by all.

5. Let the customs collected be applied as follows:

a. Pay first the cost of collections, the light-house service, the cost of harbor improvements made for mercantile purposes, and the cost of the administration of the immigration laws.

b. Pay next any just demands of the United States and of foreign powers against the Hawaiian Government.

c. Turn the balance over to the Hawaiian Government.

In case the customs levied by the Hawaiian Government are not sufficient to pay the items under a. and b., let the United States levy additional customs; otherwise the United States to have merely the collection of the customs, together with the enforcement of the immigration laws.

6. Let the Hawaiian minister in Washington have the right to address both houses of Congress in Hawaiian matters.

7. Let the Constitution and general laws of the United States not extend to the Islands, except in United States reservations, and in so far as may be specially provided by Congress in the regulation of the ports, custom service, etc.

8. Let in all other respects the Hawaiians control their affairs themselves, even to the extent of negotiating with the United States government and with foreign powers regarding commercial and similar matters; the only restrictions being that the United States will, if necessary,

a. Enforce order, and uphold the Hawaiian Government in the legitimate exercise of authority, at the cost of Hawaii;

b. Take care of any serious difficulty with a foreign government, and use their power and their control of the customs as a means of doing justice in disputes in which Hawaii may become involved.

9. Let all cost of coast fortification and naval warfare be paid by the United States, all cost of land warfare be borne by Hawaii.

The eventual forcing upon Hawaii of an arrangement like this, so far from being immoral or criminal, would be

an act of wise statesmanship, doing real, though perhaps not formal, justice to all as far as possible. The responsibilities of an extraordinary proceeding, of course, always are grave, and no cause but a thoroughly just one, together with the impossibility of doing the proper thing by ordinary means, can justify it. But affairs in Hawaii have come to such a pass that even a treaty would have to be made with usurpers; a ratification by the Hawaiian people would be a mere farce. The present masters of Hawaii, when they became usurpers, may have done the best that could be done in a difficult situation. But they least of all can blame the United States if these proceed on the same principles. Altogether the situation is such that energetic action by the United States on lines of broad statesmanship, without much consideration for formalities, eventually would seem proper and justified. Such action though probably it would bring forth a great outcry from adversely interested private parties, and from a number of one-sided theorists, would soon gain the hearty endorsement of the great mass of the people of the United States, and would vastly increase their prestige abroad.

An arrangement like that proposed might be supplemented by an agreement between the United States and Hawaii concerning trade relations and other matters.

Should the above suggestions be carried out, the Hawaiian problem, as far as the United States are concerned, would be solved. The fallacy would be disposed of that we must annex Hawaii under the proposed treaty if we wish to prevent annexation by England or Japan. A modified protectorate would be established giving full control with little responsibility. Hawaiian competition in the United States sugar-market would be weakened, the Hawaiian drain on our national wealth in part stopped. The military and other advantages of annexation would be secured without the damage to the beet-sugar industry, and without the other disadvantages, economic, political and ethnical, which would result from the consummation of the proposed treaty. In fact all the interests of the United States would be subserved, as far as seems possible.

This further advantage would accrue, that the Hawaiian



plantation owners, aware of the determination of the United States not to extend further privileges to Hawaii until her population should be an American one, would be directly interested in discarding Chinese, Japanese and other objectionable laborers, and substituting such as would make desirable American citizens, since by these means they would promote full annexation with all its advantages to them. With immediate annexation the tendency would be in the other direction. All the commercial advantages of complete union being secured, the selfish interest of the plantation owners would be on the side of cheap labor, and the chances would be strong that an undesirable supply of it would find its way into the Islands, all laws and regulations of Congress notwithstanding.

To the Hawaiians the proposed arrangement, though it would not secure to them the undue advantages promised by the proposed treaty, would give and secure:

1. Protection against Asiatic domination.
2. Protection against foreign aggression and against domination by powers less identified in interest with them than the United States.
3. Favorable consideration and treatment by, and close political connection with, their commercially and politically most important neighbor.
4. Practically complete home-rule, with protection against disorder.

It remains to consider a number of objections which are likely to be raised against the proposed arrangement.

The climate of Hawaii is believed by some to be unsuited for the performance of out-door work by our race. If this were so, it might still be proper for the United States, upon political considerations, to prevent the peopling of the Islands by Asiatics, and for that purpose to take control of the immigration into them. Were the population of the Islands a matter of indifference to the United States, or were they already filled with a certain population which could not be removed, I should recommend an arrangement differing from that proposed by me in this:

- a. Let the United States not meddle with the immigration at all.

b. Let them take charge of ports, light-houses, etc., in the case of a few of the principal harbors only.

c. Let the customs ordinarily be collected by the Hawaiian Government. In case, however, any damages have to be collected for the United States or for a foreign power, and the Hawaiian Government refuses to pay, then the United States might temporarily take charge of the collection of the customs, in one or two of the principal harbors only.

Thus modified, the proposed arrangement might also be suitable for the establishment of a Colony of the United States in the West Indies or in Central America, if any such ever should become necessary.

But the Hawaiian climate hardly is unsuited for the performance of outdoor labor by our race. All accounts say that it is remarkably salubrious, and free from excessive heat. Our race has shown great power of adjustment; a climate which is suitable for the Portuguese would seem to interpose no insurmountable obstacles to a stock that thrives in the much hotter climates of eastern Texas and of the great valley of California. Our race may not be able to work as vigorously, especially during the noon hours and in the lowlands, as others in that climate, but the country is so rich that a large population can sustain itself in comfort without very hard work.

It is said that the United States have no surplus population to send to Hawaii; that they need all their desirable elements within their own borders. This is true as far as it goes. But Hawaii is a small country, and a large part of it is barren; it would not take very many families to replace the Asiatics now there, and to provide for a sufficient increase to take the place of the vanishing natives. The United States have great reservoirs, in the power for increase of their own white people, and in the population of northwestern Europe, to draw upon for desirable stock. If the United States would only stop the undesirable supply and unrestricted competition of cheap labor from other sources, a supply and competition which tend to lower the standard of living and of wages below what it ought to be in every decent community, they could have a practically

unlimited supply of first-class stock from those two sources.

Again, it may be objected that an arrangement like that proposed for Hawaii would be a departure from democratic principles, and that our administrative apparatus is not adapted for it,—objections partly in line with Mr. Sherman's argument. I concede that some unduly generalized and extended notions and traditions of an abstract character might be infringed upon by its adoption, but not further than they are out of harmony with actual conditions and possibilities. What the United States owe to themselves in this matter, is to apply these principles where they are properly applicable and beneficial. To act upon them where their application would be detrimental, or to stand idly by and see important interests of theirs go to perdition, simply because they cannot properly be taken care of except by a deviation from unduly generalized, abstract principles, would be sheer folly. If new conditions cannot be met by the application of existing political institutions and administrative apparatus, the necessary means must be created to properly meet those conditions.

It finally may be objected that Hawaii strategically would become a weak point of the United States.

If Hawaii is not made an integral part of the United States, at the worst a dependency only would be lost, and the United States themselves, for that matter, would be as well off as they are now. In arranging the terms of a peace the United States even would get credit for such a loss.

But such eventualities are hardly to be considered. If, as most of the people who now make the same argument against annexation, assert, the mere expression of the wish and will of the United States will be sufficient to prevent other powers from seizing the islands, then surely they would not try to seize a fortified Hawaii, with the harbors and coal supplies under United States guns, and submarine mines and other amenities of civilization lurking in unknown places.

Even an enemy superior on the high seas would find a fortified Hawaii not a very desirable point to attack, and one very expensive and difficult to blockade on account of its distance from all bases of attack, and on account of its accessibility from all sides.



But then all such arguments presuppose that the United States cannot be, and ought not to be, the stronger power on the high seas in any contest which might arise with one of the great sea-powers of Europe. They recommend that the United States content themselves with a few ships, a navy just big enough to prevent filibustering and to protect their interests against semi-civilized enemies. Such an idea is hardly in keeping either with the established policy of the United States and their proper political aspirations, or with the feeling of protection and security, and of national self-esteem, which their citizens ought to be able to enjoy wherever they go.

How shall the United States be able to uphold the Monroe doctrine, to keep other powers from seizing Hawaii, to maintain a suitable policy regarding the interoceanic canals, to prevent other powers from shutting them out from the markets of Asia and Africa, and to protect a trade which soon ought to extend all over the world, without a navy equal that of any other nation? To rely upon the dissensions of Europe in these matters is a very doubtful policy. The Chinese just now are reaping the fruits of having acted, more or less, on the same basis of overconfidence. The United States can do without a large standing army, but they have interests without their own borders which are growing more and more important, and which cannot be suitably protected without a very strong navy, adequate to take the aggressive against any one of the great powers. If we expect these interests to be protected by others for us, it will be done only at the cost of a great sacrifice, in material and financial regard as well as in self-respect and in liberty of acting according to our own conscience and for the best interests of the nation and of mankind.

A strong navy by no means would be a mere source of expense, and a dead weight on the nation, as some would have it. Quite the contrary.

It would give the necessary backbone to a national policy which might make itself felt in the affairs of this hemisphere and even beyond its borders, for good. That it would be used to any extent for reckless conquest, for intima-

tion and for wanton quarrels is hardly likely, as long as the people of the United States are opposed to such things. Properly developed and used, not for bulldozing or subjugation, but for the upholding of right and justice, and for the defense of liberty and fair play, such a navy would be a most powerful factor in the advancement of American ship building, and of the trade of the United States with foreign countries. It would turn the eyes of millions towards the high seas; it would inspire with a sense of superior safety and superior self-respect Americans on foreign shores and in foreign lands, and it would act as a powerful stimulus to the efforts of many of them to make themselves and their doings, in business as well as in other matters, worthy of the flag that ruled the seas.

National self-respect and national spirit would be effectively promoted, together with all the grand and beautiful virtues to which they are a source or a potent aid. These sentiments and virtues hardly can reach a full and sound development while national power and strength are as poorly developed as they are now in the United States.

Last but not least, a powerful navy will give a prestige to the great principles for which this Republic stands, which never can be enjoyed by a cause, no matter how righteous, until it blooms forth in well sustained and ready strength. Just as such strength is the most conspicuous attribute of every sound and well developed body, by which it largely is, and ought to be, judged, so a political and social system commands respect, and its principles spread, and permeate the world, very largely in proportion to the strength it develops. And this strength, to be effectual in this way, must be actual and visible, and not merely latent; otherwise it will avail comparatively little. Again: It may be for a church, or for a theory, to show its strength in other ways. A state (for this purpose the United States constitute one state), now and for a long time to come, has to show it, neither last nor least, in its power for war; and in this age of complicated machinery and huge organizations plenty of good men and plenty of resources do not constitute war-power any more than they alone would constitute the transporting power of our great railroad system with

all its intricate and highly artificial equipments, its complicated organization and machinery, and its specially trained and experienced officers, from president to switchman, who have got accustomed to co-operating in their respective places.

As to the financial sacrifices which a great navy will entail, I merely want to say that a nation which is rich enough to spend probably much more than 1,300 million dollars for stimulants and sweets alone, can afford to support a navy, which probably would cost considerably less than 150 million dollars per year. The tremendous advance of England and Germany during the last thirty years ought to suffice to convince us that strong military establishments are not such a fearful economic burden as many suppose. With a sensible monetary and financial system the burden could be borne easily. Besides it might readily happen one of these days that much more would have to be spent in paying the cost of hasty preparations for war under unfavorable conditions, or the cost of a protracted or lost war, than a good navy would cost in a generation. War-power, to be effective, must be available at any time. In this respect it is like a fire department. Modern war gives no more time, in comparison, for organization and equipment, than a big fire. Time is acknowledged by strategy, now more than ever, as an element secondary to no other in importance. We must be ready when the emergency arises; ready, too, with a force strong enough to meet almost any emergency. It always has been, and for a long time to come will be, as much a spendthrift policy for a nation to be stingy about her war apparatus, as it is for a community to be stingy about her fire department.

Hawaii would be of little value to the United States with a weak navy. But if the United States want to uphold the Monroe doctrine, keep other powers out of Hawaii, and take the place in the world which they ought to take, they must have a strong navy anyhow, and with such, and to such, navy the control of Hawaii would be of enormous advantage. If making Hawaii a colony of the United States would hasten the creation of such a navy, by all means let Hawaii be made a colony.

If this is done Hawaiian sugar might either be excluded, or compelled to pay from 5 to 8 million dollars duty, enough to pay interest on a sum with which the United States could convert Hawaii into one of the finest naval stations in the world. Annexation is a very poor bargain from any point of view.

The solution of the Hawaiian problem proposed above is practical in all its features, and can, with the exercise of some diplomatic skill, be put into execution, if but the will and firm resolution is there to do it.

In its outlines the proposed arrangement seems to present a plan by which (with some modifications) not only the Hawaiian but also the Cuban and other similar questions might be solved, and by which the Monroe doctrine may lead to a fuller protection of America against foreign aggression, and ultimately to a closer union of especially the weaker states of the American system under the leadership of the United States. By the extended application of such a plan the United States would acquire the control of those places which they need for an efficient defense of the Monroe doctrine, while yet they would be able to preserve their character as an essentially Teutonic nation, free to follow in her social and economic development the own innate tendencies of her Teutonic people, without interference by the disintegrating influences of a motley citizenship.

Carl Stroeve.

Ashland Block, Chicago, January, 1898.



## APPENDIX.

### (1) THE INTEREST OF THE SUGAR TRUST IN ANNEXATION OF HAWAII AND CUBA.

Every first-class modern beet sugar factory does its own refining. It can do it cheaper than a separate refinery because it saves the remelting and much double handling of sugar. The sugar-trust is based on the monopoly of refining. It has no use for a sugar industry which does its own refining. It is the natural enemy of the beet-sugar industry.

The sugar-trust, in order to be able to keep down the beet sugar industry, needs cheap raw-sugar from other sources. Hawaii and Cuba are able to furnish enormous quantities of it. If they remain outside of the United States the chances are that their product will become largely unavailable to the sugar trust on account of the import-duties now imposed, or hereafter likely to be imposed on it.

The sugar-trust knows that from the standpoint of national economy the present importation of sugar is a nuisance, because it leads to a continual impoverishment of our soil by promoting the exportation of immense quantities of materials which are rich in valuable soil elements. The sugar-trust knows that sugar brings nothing into the country but what we have in superabundance in our air. It knows that the American people in time will appreciate this, and conclude to exclude foreign sugar, knowing that they will have to pay a higher price for domestic sugar only temporarily, while they will benefit themselves immensely for all times by stopping one of the most insidious and detrimental drains upon the commonwealth. If Hawaii and Cuba are annexed the importation of sugar from there free of duty will be secured practically for all times, an effectual damper will be provided for the beet-sugar-industry, and the sugar-trust will be fairly secure in its now seriously threatened monopoly.

It is said that the sugar-trust opposes annexation because it would open the United States to the importation of refined sugar from Hawaii, this importation at present being practically impossible because the existing reciprocity

treaty admits, free of duty, raw sugar only. Opposition to annexation on this ground is hardly more than a ruse, used by the trust to cover its true designs. The trust, in case of annexation, would crush out these Hawaiian refineries, or take them in, and all would go on swimmingly as before. To crush out or to take in all the independent factories and refineries which thorough protection of the beet-sugar industry would bring into existence by scores every year, until we would have several hundred of them, would be quite a different task for the trust. This task would be particularly difficult if the sugar-schedule of the present tariff were changed so as to provide less protection to the trust. No amount of deception and newspaper taffy ought to make sensible people believe that the sugar trust is seriously fighting annexation.

As to the Nebraska farmers who are reported to have endorsed annexation under the proposed treaty, they would not have done it if they had seen the true bearings of this question. They probably were led by the idea that annexation would make no difference as far as the beet-sugar interests are concerned, since Hawaiian sugar is coming in, under the existing reciprocity treaty, free anyhow. They ought to consider that this treaty can, and ought to, be terminated by giving one year's notice, and that thereby the whole unrestricted competition of Hawaiian sugar would be cut off. Annexation would establish this competition forever.

To some extent the reported endorsement of annexation by the Nebraska farmers seems to have been caused by a desire to antagonize Mr. Oxnard. If this is true, it is much to be regretted. However much we must oppose capitalists when their schemes and actions are antagonistic to public welfare (unfortunately this is too often the case), yet we must not be carried away to endorsing a measure, in part because a capitalist opposes it. Absolutely absurd is such attitude if the measure in question is contrary to our own and to the public interest. Mr. Oxnard perhaps has taken, in regard to the Hawaiian question as a whole, a stand which I should not approve. But I feel sure that in opposing annexation under the present treaty on behalf of the

beet-sugar industry of the United States, and in trying to impress Congress with the merits of this industry and the importance of its protection, he is doing the country a real service. He may, at present, lack popular support, on account of the ignorance of the people at large on the subject. But the time is fast coming when the people will be enlightened on this matter. The party which will betray this industry to foreign competitors and to the sugar-trust will have to suffer for it. Congress is in a position to know the facts better than the people at large; it is responsible for doing the right thing, even though temporarily it may lack popular support. The fact that Mr. Oxnard's interest as a capitalist coincides with his interest as a citizen may detract from the weight of his personal plea, but cannot diminish the weight of his solid arguments and facts. For beet-sugar growers to endorse annexation, in part because Mr. Oxnard opposes it, is like a man's cutting off his nose to spite his wife.

If, as the newspapers say, Mr. Oxnard is fighting annexation side by side with the sugar-trust, the quicker he lets go of that partner, the better for him and his cause. The sugar-trust won't put up an honest fight against its own true interest. It is simply fighting a sham-battle to deceive the unwary, and it is doing this nicely. An open sham-battle would arouse suspicion. A seemingly covered one makes people think that the trust is in earnest. Of course they are permitted to discover that the fight is on.

To appreciate fully the importance of Hawaii and Cuba in regard to the sugar supply of the United States, we must consider that these two countries are able to furnish at least 2,500, and probably much more than 3,000 million pounds of sugar per year, while the total consumption of the United States is about 4,500 million pounds per year. In other words, Cuba and Hawaii can furnish probably much more than two-thirds of all the sugar we need. They will do it if given the chance. But they will not do it without unduly draining the United States of much of their wealth.

We may be sure that if annexation fails, a desperate effort will be made to secure at least a long time treaty pro-



viding above all for admission of sugar free, or almost free, of duty; in the case of Cuba as well as Hawaii. Then, as now in regard to Hawaiian annexation, the question will arise: Shall the most important protection provided by the new tariff bill be largely set at naught for the benefit of the sugar trust, already unduly favored? How can the party in power afford to do or permit this? The people may not understand the trick now, but they will after a while.

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## (2) THE INTEREST OF CUBAN LANDHOLDERS IN ANNEXATION.

Cuba exported from 1892 to 1895 on an average nearly 2,000 million pounds of sugar per year into the United States. Since then the Cuban war has brought about a reduction. 2,000 million pounds, however, may be taken as a low average of the amount of sugar Cuba is able to import into the United States every year. The present import duty of nearly 1 cent per pound on this quantity would amount to about 20 million dollars. Since Cuban sugar could probably not be sold outside of the United States, except for just about so much less as the duty would amount to, annexation and consequent free trade with the United States would mean 20 million dollars per year on sugar alone to the Cuban land owners. This explains in part the intense desire on the part of many Cubans for annexation, the efforts of the Cuban Junta in this direction, and much of the newspaper enthusiasm for closer connection with, and ultimate annexation of, Cuba. A number of political orators undoubtedly draw spiration largely from the same source.

Since an increase in the duty on sugar by no means belongs to the impossibilities, and since by improved methods of production the Cuban sugar output probably might largely be increased, the prospective amount at stake upon Cuban annexation, in sugar alone, may perhaps be nearer 40, than 20, million dollars per year.

Most of the extremely valuable tobacco output of Cuba also goes to the United States, and of course the tobacco growers of Cuba are likewise interested in annexation, for the same reason as the sugar growers.

### (3) THE INTEREST OF BONDHOLDERS IN ANNEXATION OF CUBA.

There are two classes of such bondholders. One class are the holders of probably something like 400 million dollars in bonds issued by Spain, and said to be specifically based on the revenue and resources of Cuba.

The other class are the holders of a vast quantity of bonds, issued by the revolutionary government of Cuba.

Both of these classes are eager for annexation or at least some form of intervention by the United States by which the payment of their bonds in some way would be guaranteed. It is safe to say that syndicates in possession of these bonds will be, and probably have been, glad to give part of their holdings to men influential in United States politics, and able to control American news and newspapers, in order to secure their support and active, interested co-operation.

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In calling attention to the aforesaid interests in the annexation of Cuba and Hawaii, I do not wish to cast suspicion on everybody who favors it; that would be foolish and unjust. I merely want to warn against the arguments of those who justly may be suspected of being inspired by those interests.

The United States have even less interest in Cuba than in Hawaii. Cuba has a much larger undesirable population than Hawaii. She hardly ever could be peopled with Teutons. Her sugar-industry is incomparably more dangerous to the United States than that of Hawaii.

The true interest of the United States requires them not to interfere further with Cuban affairs than

1. To stop the wholesale murder and robbery now going on there; they owe that to the outraged conscience of their own people and of humanity; and

2. To keep foreign powers out of Cuba, and perhaps to fortify and control themselves some of Cuba's strategically most important ports.

Any further interference with Cuban affairs almost certainly would impose heavy burdens on, and prove detrimental to, the United States, without subserving any vital interests of theirs, or of humanity.

C. S.



# INDEX.

American interests in Hawaii.....11	Junta, Cuban. ....26
Annexation, Hawaii unduly benefited	Japanese immigration. ....8-13-16
by.....1-2	Landholders benefitted by annexation. ....1-2-26
not necessary for U. S.....11-16	connected with sugar trust.....1
objections to.....1-3	Lands of Hawaii taken up.....7
objections to, economic.....1-6	to be held by U. S. for Hawaiians. ....2-7
objections to, political.....6-10	Military power, benefits of.....19-21
objections to, ethnical.....6-9	Monroe doctrine. ....12-19-21
Asia, importance of Hawaii in reference to. ....11	Motley citizenship. ....7-10-16-22-27
Australia, importance of Hawaii in reference to. ....11	National policy. ....12-13-19-22
Beauty of Hawaii, no reason for annexation. ....6-7	Navy, necessity of strong.....19-21
Beet-sugar industry, merits of.....4-6	Nebraska farmers indorsing annexation. ....24-25
necessity for protection of.....5-6	Nicaragua Canal. ....11
sacrifices for it temporary.....5	Oligarchy in Hawaii.....10-15
enemy of sugar trust.....23-24	Oxnard opposed to annexation.....24-25
annexation detrimental to.....5-6	Policy, flexible, needed for U. S.....13-18
Bondholders, interests of Cuban.....27	Political objections to annexation...10
Cable, government, to Hawaii.....13	Population, inferiority of Hawaiian. 7-8
Chinese immigration. ....8-13-16	Protectorate, objections to.....12
Climate, Hawaiian. ....16-17	Race-mixture, evils of.....7-10
Coal industry in Hawaii.....5	Reciprocity treaties. ....5-25
Coal supplies, control of.....13	Responsibility of protectorate.....12-15
Colonies of the United States....13-17-22	Sherman, Secretary, his objections to a protectorate.....12
Colony, establishment of Hawaii as a13	Soil-ingredients, valuable, must not be exported. ....3-4
advantages thereof to U. S.....15-16	Strategical importance of Hawaii.....11
advantages there to Hawaii.....16	Sugar, evils of free-trade in.....3-5
Control, sovereign by U. S.....12-13	ought to be produced at home.3-6-23
Cuba, annexation of.....5-23-27	Sugar, output of Hawaii.....1-3-25
duty of U. S. as to.....27	output of Cuba.....25
reciprocity with. ....5-25	Sugar-beet growers ought to oppose annexation. ....5-24-25
interest of sugar-trust in.....23-26	Sugar-trust, deceptive tactics of..1-23-25
Customs, collection thereof in Hawaii. ....13-14-16-17	interested in annexation....1-23-25
Debt, payment of Hawaiian.....2	opposed to beet-sugar industry.23-25
Deceptive tactics of Sugar Trust..1-23-25	Tariff on sugar must be upheld.5-6-25-26
Democratic principles. ....18	Territory, Hawaii as a.....1-10
Ethnical objections to annexation.7-10	objection to name.....10
Export bounties, beneficial to Europe..4	Teutonic civilization. ....8-22
Exports from Hawaii.....3-4	Tobacco, Cuban, growers.....26
Federation, American. ....12	Trade with Hawaii a losing one.....4
Force, application of.....14-15	Usurpation of power.....15
Franchise, difficulty of regulating it in Hawaii. ....12	War-power, benefits of.....19-21
Harbors in Hawaii, control of.....11-13	necessity for. ....19-21
Immigration, desirable. ....8-17	Wealth of Hawaii no reason for annexation. ....6-7
regulation of Hawaiian.....11-13-16	Wilson, Secretary, on annexation.....6
Imports into Hawaii.....3-4	
Interests of U. S. in Hawaii.....11	
Intermarriage between races.....9	





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